VRS In SAIL

1056. SHRI K. RAMA MOHANA RAO: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that SAIL has submitted a proposal for trimming its staff by over 16,000 employees through VRS;

(b) if so, the details of the proposal;

(c) whether SAIL has sought Government's guarantee to raise Rs.500 crore for this purpose;

(d) whether it is also a fact that SAIL posted a loss of Rs. 1300 crore for the period ending April-December, 2001; and

(e) if so, what are the reasons for such a loss, apart from fall in prices?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJKISHORE TRIPATHY): (a) and (b) As part of restructuring of manpower, SAIL proposes to reduce its workforce every year to reach a level of 1 lakh by the end of financial year 2004-2005. Accordingly, during the financial year 2002-2003, SAIL proposes to reduce its manpower by about 16,000 through introduction of Voluntary Retirement Scheme, natural and other separations, and minimal recruitment.

(c) Yes, Sir.

(d) and (e) SAIL has incurred loss of Rs. 1290 crore during April-December, 2001. Aprart from the main reason of fall in steel prices, other reasons for incurring losses are as under:

- High manpower costs
- Closure of important export markets for the Indian Steel due to protectionist measures such as anti-dumping duties, etc., initiated by a number of importing countries.
- Stagnation in steel consumption due to slow down in Indian economy leading to oversupply siutation and recessionary trends in the global steel market resulting in cheap imports.